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September 29, 1994

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Ex Parte Presentation -- MM Docket No. 92-265

Dear Mr. Caton:

You are hereby advised that on this date the attached written ex parte presentation was made in the above-referenced proceeding to the following Commission personnel:

Chairman Hundt  
Commissioner Quello  
Commissioner Barrett  
Commissioner Chong  
Commissioner Ness

The presentation follows meetings held between representatives of United States Satellite Broadcasting Company, Inc. ("USSB") and the author of the written presentation. The presentation submitted herewith supports USSB's "Opposition to Petition for Reconsideration of the National Rural Telecommunications Cooperative," submitted in MM Docket No. 92-265, on July 14, 1993.

An original and one copy of this letter and copies of the attached presentation are being filed. If additional copies of this filing are required, USSB will supply them immediately upon request.

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FLETCHER, HEALD & HILDRETH

Mr. William F. Caton  
September 29, 1994  
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Should any questions arise concerning this matter, or should any additional information be necessary or desired, please communicate with this office.

Very truly yours,

FLETCHER, HEALD & HILDRETH



Patricia A. Mahoney  
Counsel for United States  
Satellite Broadcasting  
Company, Inc.

PAM/dlr

cc: Chairman Reed E. Hundt  
Commissioner James H. Quello  
Commissioner Andrew C. Barrett  
Commissioner Rachelle B. Chong  
Commissioner Susan Ness

**Congress of the United States**  
**House of Representatives**  
**Washington, D.C. 20515-4305**

**JOHN BRYANT**  
5TH DISTRICT, TEXAS  
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SUBCOMMITTEE ON  
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GOVERNMENTAL RELATIONS

COMMITTEE ON  
ENERGY AND COMMERCE  
COMMITTEE ON  
THE JUDICIARY  
COMMITTEE ON  
THE BUDGET

September 23, 1994

The Honorable Reed E. Hundt, Chairman  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Dear Chairman Hundt:

I want to join several of my colleagues who have contacted you in support of Section 19, the program access provision of the Cable Act of 1992. I support the Federal Communications Commission's "First Report and Order" regarding exclusive program contracts with non-cable distributors.

I believe that the goal of Section 19 is to address exclusive practices by cable operators, and non-cable operations, such as direct broadcast satellite (DBS) are not covered by it.

The Cable Act was specifically designed to address the problems the cable consumer faced as a result of cable's monopolistic practices, which my constituents complained was due to the cable operators' abuses of their power.

Section 19, which addresses cable programming practices, precludes cable operators from entering into exclusive contracts with vertically integrated cable programmers in areas not served by cable. A careful review of the Cable Act and its legislative history will confirm that the measure only deals with program contracts involving cable operators.

We must keep in mind that a fundamental purpose of Section 19 is to promote technologies that can compete with cable operations. I think competitive exclusivity in DBS operations is necessary if a non-cable operator with a small number of channels is to be competitive with another program distributor offering more, but different channels. To deny competitive exclusivity to such competitive operators could have the perverse effect of creating a monopoly within DBS, by limiting a DBS operator's ability to increase his program offerings, better compete with cable, and offer unique services to the customer.

The Honorable Reed E. Hundt  
September 23, 1994

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I believe the Commission's initial conclusions on programming exclusivity -- that Section 19 applies only to cable operators -- are correct, and the rules adopted by the FCC thus properly implement Section 19. I understand the Attorneys General of 45 states and the District of Columbia, the U.S. Department of Justice, and Judge John Sprizzo, U.S. District Court, Southern District of New York, all agree that the Cable Act of 1992 does not prohibit exclusive contracts by DBS providers and programmers.

I appreciate your consideration of my views, and look forward to working with you and the members of the Commission to make the most diverse programming available to the American consumer - over cable or telephone lines, or by Direct Broadcast Satellite.

Sincerely,

  
JOHN BRYANT  
Member of Congress

JB:bc

cc: Honorable James Quello  
Honorable Andrew Barrett  
Honorable Rachelle Chong  
Honorable Susan Ness